

CALL CENTERS

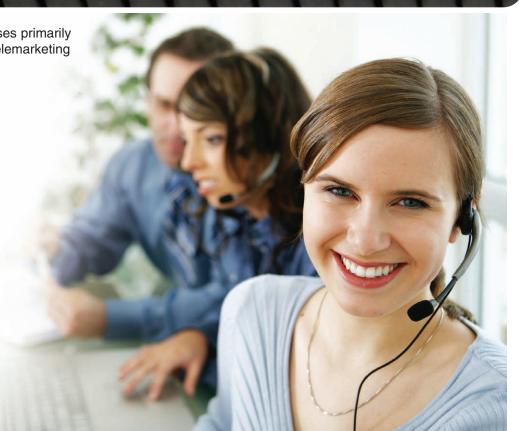
Tennessee Department of Economic & Community Development



Call Centers

This industry is comprised of businesses primarily engaged in answering services and telemarketing bureaus.

- In 2007, there were 124 telephone call centers in Tennessee, employing over 7,400 people with an average annual salary of \$26,827.
- Tennessee's growth estimates indicate there will be projected increases within the next few years in total call center employment of over 14,000 people.



TELEPHONE ANSWERING SERVICES

This sector of the industry is singularly engaged in answering telephone calls and relaying messages to clients.

DID YOU KNOW?...

• By 2006, the number of call centers grew 20% to 124, employing approximately 6,088 people with an annual average salary of \$26,827.



TELEMARKETING BUREAUS

This sector contains establishments engaged in providing telemarketing services on a contract or fee basis including such activities as (1) promoting products or services, (2) taking orders for clients, and (3) soliciting contributions and/or providing information for clients.

DID YOU KNOW?...

• In 2006, there were 90 telemarketing bureaus, employing 5,675 people with an average annual wage per worker of \$27,065.

Sources: Bureau of Labor Statistics; NAICS 2002



May 31, 2007

Automated License Systems, Inc. ("ALS") - Celina/Clay County Location ("Celina Facility") TO WHOM IT MAY CONCERN: Re:

In 2006 ALS began a search for a location for a second call center in order to supplement the capacity of, and provide geographic separation and redundancy from, the call center located in our Nashville,

We quickly identified Celina and Clay County as a potential location due to the factors of (1) availability of a building that appeared to meet all our needs; (2) existence of a mature work force with call center experience, and (3) good geographic redundancy from our headquarters.

While we felt and learned upon investigation that the Celina/Clay County location did meet our needs, our decision was made much easier by the fact that we received extraordinary cooperation and assistance from the local officials in Celina and Clay County. Those officials worked together harmoniously in the effort to assist us and we couldn't have been happier with the cooperation we received.

Our Celina Facility has been open since September, 2006 and during that time we have increased our employment there to over 35 workers, with expectation of that number growing to over 50 this year. We have been entirely satisfied with the quality of the Celina/Clay County work force. They have been reliable and capable, with turnover virtually non-existent.

Based on our entirely positive experience with the governments, citizens and workers of Celina and Clay County, we would wholeheartedly and without reservation recommend that area to other business seeking a favorable environment.

Sincerely,

AUTOMATED LICENSE SYSTEMS

Ernest D. (Denny) Bennett, III Chief, Corporate Services dbennett@als-xtn.com

615-263-4257, ext. 2162

Today, most of the largest employers in this business are in the customer service field. Three of these customer service call centers each employ over 1,000 workers.

TOP 20 LARGEST CALL CENTERS IN TENNESSEE										
COMPANY	CITY	SERVICE	EMPLOYEES**							
Convergys Corporation	Clarksville	Customer Service Center	1800							
CITI Commerce Solutions	Gray	Credit Card Processing	1700							
Ford Motor Credit	Franklin	Consumer Automotive Financing Customer Care	1700							
Tennessee Telemarketing, Inc.	Boones Creek	Telemarketing	1300							
Verizon Wireless	Murfreesboro	Call Center	1200							
Sprint PCS	Nashville	Customer Service	1100							
American General Life & Accident		Customer Service Center	1000							
Insurance Co.		for Life Insurance Company								
Cingular Wireless	Johnson City	Telemarketing Services	900							
NOVA Information System	Knoxville	Credit Card Processing	873							
Advanced Call Center Technologies, Inc	Johnson City	Customer Service Center Janitorial	850							
T-Mobile USA, Inc	Antioch	Call Center	850							
T-Mobile	Chattanooga	Wireless Telecom Services and Call Center	842							
Blue Cross Blue Shield	Chattanooga	Health Care Insurance Customer	800							
Site Corporation	Memphis	1-800-Medicare	800							
State Farm Insurance Co.	Murfreesboro	Customer Care Center for Insurance	795							
Internal Revenue Service	Nashville	Service Center	750							
Convergys Corporation	Chattanooga	Provides Telemarketing Services	700							
Jewelry Television by ACN	Knoxville	Cable shopping network orders	700							
T-Mobile	Nashville	Customer Service	700							
Advanced Call Center Technologies, Inc	Johnson City	Inbound/Outbound Call Center	650							

^{**}Includes growth estimates and projections.

There are several reasons for the rapid growth of telephone call centers in the state, all of which should make Tennessee your first choice for business.

- Competitive wages
- Sizeable industry base
- Capable and educated workforce
- Incentives

Note that wages are also an indication of the education and capability of the Tennessee labor pool for this industry, which has seen sustainable growth despite national trends.

	Annual Wage per Worker					# of Establishments		
	2001		2006	% Increase	2001	2006	% Growth	
AL	\$ 14,637.00	\$	19,872.00	36%	112	75	-33%	
AR	\$ 12,879.00	\$	16,163.00	25%	65	72	11%	
FL	\$ 22,964.00	\$	29,140.00	27%	511	563	10%	
GA	\$ 21,879.00	\$	24,290.00	11%	141	172	22%	
KY	\$ 17,843.00	\$	22,164.00	24%	83	74	-11%	
LA	\$ 12,823.00	\$	16,165.00	26%	99	84	-15%	
NC	\$ 19,380.00	\$	21,433.00	11%	143	111	-22%	
OH	\$ 17,709.00	\$	19,607.00	11%	218	242	11%	
SC	\$ 14,575.00	\$	19,548.00	34%	60	70	17%	
TN	\$ 26,199.00	\$	26,827.00	2%	103	124	20%	
VA	\$ 16,488.00	\$	22,924.00	39%	160	157	-2%	

DID YOU KNOW?...

COMPETITIVE WAGES

Tennessee maintains a steady state in terms of annual wage increases exhibiting only a 2% rise in wages as opposed to the 20-30% spread seen in other southeastern states. As the table indicates, Tennessee is the only state in which the Call Center Industry has both maintained a steady rate of annual wage, and achieved an over 20% increase in growth for the 2001 – 2006 time period.



Source: Bureau of Labor Statistics, 2008

ENERGETIC, CAPABLE AND EDUCATED WORKFORCE:

Tennessee has a large number of institutions of higher education. Colleges, universities and technical schools within Tennessee's metropolitan areas give call centers access to an extensive labor pool of intelligent, energetic, and capable workers. Following are illustrated graphics depicting Tennessee's institutions of higher education delineated by type of institution and geographical area.



PUBLIC UNIVERSITIES

- 1. Austin Peay State University
- 2. East Tennessee State University
- 3. Middle Tennessee State University
- 4. Tennessee State University
- 5. Tennessee Technological University
- 6. University of Memphis

- 7. University of Tennessee at Chattanooga
- 8. University of Tennessee at Knoxville
- 9. University of Tennessee at Martin
- 10. University of Tennessee Health Sciences Center
- 11. University of Tennessee Space Institute



PUBLIC COMMUNITY COLLEGES

- 1. Chattanooga State Technical Community College
- 2. Cleveland State Community College
- 3. Columbia State Community College
- 4. Dyersburg State Community College
- 5. Jackson State Community College
- 6. Motlow State Community College
- 7. Nashville State Technical Community College

- 8. Northeast State Technical Community College
- 9. Pellissippi State Technical Community College
- 10. Roane State Community College
- 11. Southwest Tennessee Community College
- 12. Volunteer State Community College
- 13. Walters State Community College



INDEPENDENT COLLEGES AND UNIVERSITIES

- 1. Aquinas College
- 2. Baptist College of Health and Science
- 3. Belmont University
- 4. Bethel College
- 5. Bryan College
- 6. Carson-Newman College
- 7. Christian Brothers University
- 8. Crichton College
- 9. Cumberland University
- 10. Fisk University
- 11. Free Will Baptist Bible College
- 12. Freed-Hardeman University
- 13. Hiwassee College
- 14. John A. Gupton College
- 15. Johnson Bible College
- 16. King College
- 17. Lambuth University
- 18. Lane College

- 19. Lee University
- 20. LeMoyne-Owen College
- 21. Lincoln Memorial University
- 22. Lipscomb University
- 23. Martin Methodist College
- 24. Maryville College
- 25. Meharry Medical College
- 26. Memphis College of Art
- 27. Milligan College
- 28. Rhodes College
- 29. Southern Adventist University
- 30. Southern College of Optometry
- 31. Tennessee Wesleyan College
- 32. Trevecca Nazarene University
- 33. Tusculum College
- 34. Union University
- 35. University of the South (Sewanee)
- 36. Vanderbilt University



TENNESSEE TECHNOLOGY CENTERS

- 1. Athens
- 2. Chattanooga
- 3. Covington
- 4. Crossville
- 5. Crump
- 6. Dickson
- 7. Elizabethton
- 8. Harriman
- 9. Hartsville
- 10. Hohenwald
- 11. Jacksboro
- 12. Jackson
- 13. Knoxville
- 14. Livingston

- 15. McKenzie
- 16. McMinnville
- 17. Memphis
- 18. Morristown
- 19. Murfreesboro
- 20. Nashville
- 21. Newbern
- 22. Oneida/Huntsville
- 23. Paris
- 24. Pulaski
- 25. Ripley
- 26. Shelbyville
- 27. Whiteville

INCENTIVES

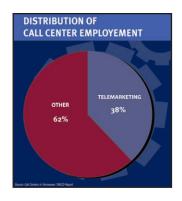
Tennessee's tax laws are particularly advantageous to the call center industry.

Receive 1% excise tax credit for:

- The purchase of computers, computer networks, software, computer systems, telephone systems and any peripheral devices purchased to reach the "required capital investment" to qualify for the jobs tax credit.
- Net operating loss may carry forward 15 years.
- All capital losses may be claimed the year incurred.

Tax credit of \$2,000 (or \$4,500 in special enhancement counties) per new full-time employee:

• In businesses that meet requirements of a minimum



25 new full-time jobs and additional capital investment of \$500,000 and offer a minimal health care plan.

- For new jobs in the future resulting in a net increase in jobs.
- Property rented from an industrial development board may be capitalized.

• For companies that increase Tennessee investment while also doing business in other states, Tennessee offers a double, weighted sales apportionment formula for franchise and excise taxes.

DID YOU KNOW?...

This means that property, payroll and sales are all taxed, but they are taxed in fourths, not thirds. Property and payroll have one-fourth each and sales has two-fourths.

• The jobs tax credit can be applied to both the franchise and excise tax. The percentage of franchise and excise tax liability offset allowed ranges

from 33 1/3 percent to 100 percent for total employment in Tennessee, ranging from less than 1,000 to 5,000 or more employees.

Personal Income tax

No personal income tax.



REFERENCES

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